



FUEL POVERTY & ENERGY EFFICIENCY

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Boris Johnson MP
The Prime Minister
10 Downing Street
London SW1A 2AA

The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

The Rt Hon Kwasi Kwarteng MP
Secretary of State
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London SW1H 0ET

Dear Prime Minister, Chancellor of the Exchequer and Secretary of State

We are writing to you as co-chairs and officers of the APPG for Fuel Poverty and Energy Efficiency regarding the current threat of significantly increased domestic energy bills.

As you will already be aware, cold homes damage the lives of the poorest households and following an already record increase in October to the price cap, energy bills are set to increase again significantly in April across Great Britain and could reach as high as £2000 for the average household, an increase of £700 compared to prices today. Alongside similar unprecedented increases in Northern Ireland, the hike will be a disaster for those who were already struggling to pay their bills and could leave over 6 million households in fuel poverty across the UK. Experts have also said that these prices are likely to be sustained for two or more years.

These price increases will impact all households. But for those who were already struggling to pay their bills, it will be catastrophic. Without any additional support, millions will sink further into debt, and many will turn off the heating, leaving them at acute risk of serious ill-health and putting further strain on our stretched health services. Polling conducted by YouGov has shown that 6 out of 10 British households say they would reduce their heating use by a fair amount/great deal if the cost of heating doubles. Too many will have to make a desperate choice between heating and eating.

We therefore welcome reports that the Government is currently investigating how to provide some relief, in particular for the poorest households. We understand that the necessary interventions are likely to be made in advance of the price cap announcement in early February and certainly before the increases take effect in April. We welcome this approach as it can ensure any intervention helps offset the huge anxiety and worry the April increase is likely to bring. We are calling on you to ensure that any support package to address the crisis works in the best interests of fuel poor households and recommend:

- 1) **That any direct support to households includes a targeted package of measures for those on the lowest incomes.** While universal support might be necessary in such a circumstance, it is important that those households that will be impacted the most receive the most support. This could be done, for example, by increasing the support available through existing schemes such as the GB-wide Warm Home Discount, the UK-wide Winter Fuel Payments or an additional targeted rebate which could be delivered this winter. Any additional support should be Treasury funded as this will help offset any additional costs for other bill payers.

- 2) **That any effort to reduce energy bills should not include the removal of green levies.** While there are arguments about whether such levies should remain on energy bills or be added instead to income tax, there is no justification for removing them completely. To do so would be to compound the gas crisis which we face by exacerbating fuel poverty and further delaying the transition away from fossil fuels. **In particular, it is imperative that the Energy Company Obligation is not reduced or delayed as a means of reducing the cost of energy.** The upcoming ECO 4 scheme, due to start in April, is intended to be fully focused on low income and vulnerable households and help more than 150,000 low-income homes to permanently reduce their energy bills, just in the first two years of the scheme. This is in line with the statutory requirement to ensure all fuel poor homes in England are brought up to a reasonable standard of energy efficiency by 2030. This will also make an invaluable contribution to achieving the Government's goal to reach net zero at the same time as ensuring there is a fair and affordable transition.

We urge you to confirm that there are no plans to delay the upcoming ECO 4 scheme, and to respond urgently and positively to our proposals. We would welcome working with you in the coming weeks to ensure the most vulnerable households are protected as far as possible from the current threat of significantly increased domestic energy bills.

We look forward to hearing from you

Yours sincerely

Ben Lake MP, Co-Chair APPG Fuel Poverty & Energy Efficiency
Caroline Lucas MP, Vice-Chair APPG Fuel Poverty & Energy Efficiency
Alison Thewliss MP, Vice-Chair APPG Fuel Poverty & Energy Efficiency
Kim Johnson MP
Alistair Carmichael MP
Derek Thomas MP
Martyn Day MP
Peter Aldous MP
Barry Gardiner MP
Claudia Webbe MP
Baroness Armstrong of Hilltop